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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

13/7

For the quarterly period ended June 30, 1991

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

APR 14 1992
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For the transition period from _____ to _____

Commission file number 33-38108C

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ABCM Corporation
(Exact name of registrant as specified in its charter)

Iowa	42-1008939
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Highway 65 North, P.O. Box 436	Hampton, Iowa 50441
(Address of principal executive offices)	(Zip Code)

(515) 456-5636
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ___ No X

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 375,000 shares as of March 1, 1992.

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ABCM CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1991

PART I. -- FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited financial statements are included in this report:

(a) Balance Sheets as of June 30, 1991, and December 31, 1990.
(b) Statements of Income (Loss).
(c) Statement of Stockholders' Equity.
(d) Statement of Cash Flows.

FINANCIAL STATEMENTS
OF
ABCH CORPORATION

HAMPTON, IOWA
AT
JUNE 30, 1991

UNAUDITED

ABCH CORPORATION
HAMPTON, IOWA

BALANCE SHEET
AS OF JUNE 30, 1991 AND DECEMBER 31, 1990
UNAUDITED

ASSETS

	6/30/91	12/31/90
Current Assets:		
Cash	$ 287,268	$ 643,934
Receivables:		
Patient Accounts, Net of Allowance for Doubtful Accounts	1,200,665	1,318,656
Employees	52,246	48,782
Supplies	86,758	90,923
Property Tax Escrows	141,500	151,978
Prepaid Expenses	119,312	61,868
Current Portion of Due from Related Parties	28,240	24,730
Total Current Assets	$ 1,915,989	$ 2,348,791
Property and Equipment:		
Land	$ 630,781	$ 630,781
Buildings and Improvements	22,650,482	22,467,022
Furniture, Fixtures and Equipment	7,559,114	7,308,169
Transportation Equipment	1,506,171	1,506,171
Total Property and Equipment	$ 32,346,548	$ 31,912,143
LESS-Accumulated Depreciation	15,005,960	14,345,297
Net Property and Equipment	$ 17,340,588	$ 17,567,846
Other Assets:		
Intangible Assets, Net of Amortization 6/30/91-$445,311 12/31/90-$404,589	$ 995,934	$ 957,270
Investments	98,459	98,459
Due from Related Parties	3,622,328	3,287,805
Restricted Cash	142,243	137,941
Total Other Assets	$ 4,858,964	$ 4,473,475
Total Assets	$ 24,107,541	$ 24,381,312

ABCH CORPORATION
HAMPTON, IOWA

BALANCE SHEET
AS OF JUNE 30, 1991 AND DECEMBER 31, 1990
UNAUDITED

LIABILITIES AND STOCKHOLDERS' EQUITY

	6/30/91	12/31/90
Current Liabilities:		
Accounts Payable	$ 630,225	$ 542,376
Note Payable	183,558	0
Accrued Expenses:		
Payroll	877,627	932,174
Property Taxes	461,422	461,422
Vacation and Sick Leave	1,188,751	957,887
Payroll and Other Taxes	68,724	55,931
Other	69,782	82,900
Current Maturities of Long-Term Debt	1,156,343	820,762
Total Current Liabilities	$ 4,628,432	$ 3,853,452
Long-Term Debt, Less Current Maturities	$ 17,479,393	$ 17,946,986
Other Liabilities:		
Minority Interest Payable	$ 11,000	$ 11,000
Due to Related Parties	619,047	357,587
Total Other Liabilities	$ 630,047	$ 368,587
Total Liabilities	$ 22,738,872	$ 22,168,865
Stockholder's Equity:		
Common Stock, $1 Par Value, 375,000 Shares Authorized Issued and Outstanding	$ 375,000	$ 375,000
Additional Paid-In Capital	125,000	125,000
Retained Earnings	869,469	1,712,447
Total Stockholders' Equity	$ 1,369,469	$ 2,212,447
Total Liabilities and Stockholders' Equity	$ 24,107,541	$ 24,381,312

ABCH CORPORATION
HAMPTON, IOWA

STATEMENT OF INCOME (LOSS)
FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND JUNE 30, 1990
UNAUDITED

	3 MONTHS ENDED 6/30/91	6 MONTHS ENDED 6/30/91	3 MONTHS ENDED 6/30/90	6 MONTHS ENDED 6/30/90
Income:				
Patient Care Income	$ 8,148,627	$ 16,291,880	$ 7,586,759	$ 14,862,909
Management Fee Income	58,885	108,811	47,788	94,958
Other Income	97,985	194,488	98,414	184,328
Total Income	$ 8,288,617	$ 16,586,219	$ 7,652,873	$ 15,142,179
Expenses:				
Nursing Services	$ 3,818,267	$ 5,999,832	$ 2,718,518	$ 5,415,836
Dietary Services	1,267,999	2,588,624	1,199,256	2,368,885
General Services	1,162,242	2,378,277	1,881,169	2,281,365
Administrative Services	2,827,844	4,852,533	1,815,888	3,514,428
Interest	514,865	1,835,218	517,476	1,838,896
Depreciation	268,691	668,862	392,113	769,383
Total Expenses	$ 8,258,388	$ 16,631,346	$ 7,715,712	$ 15,299,913
Income (Loss) from Operations	$ 30,389	$ (45,127)	$ (62,839)	$ (157,734)
Interest Income	67,781	134,099	75,788	138,051
Net Income (Loss)	$ 98,098	$ 88,972	$ 12,861	$ (19,683)
Net Income (Loss) Per Share	$ 48.26	$ 48.24	$ 48.83	$ (48.85)

ABCH CORPORATION
HAMPTON, IOWA

STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND JUNE 30, 1990
UNAUDITED

	6/30/91	6/30/90
Stockholders Equity Beginning of Period:		
Common Stock Issued and Outstanding	$ 375,000	$ 375,000
Contributed Capital	125,000	125,000
Retained Earnings	1,712,447	1,668,451
Total Stockholders Equity Beginning of Period	$ 2,212,447	2,168,451
Add: Net Income (Loss)	$ 88,972	$ (19,683)
Less: S-Corporation Distributions	(931,950)	0
Net Increase (Decrease)	$ (842,978)	$ (19,683)
Total Stockholders Equity End of Period	$ 1,369,469	$ 2,148,768
Stockholders Equity End of Period:		
Common Stock Issued and Outstanding	$ 375,000	$ 375,000
Contributed Capital	125,000	125,000
Retained Earnings	869,469	1,648,768
Total Stockholders Equity End of Period	$ 1,369,469	$ 2,148,768
Dividends Per Share	$ 0.00	$ 0.00
S-Corporation Distributions Per Share	$ 2.49	$ 0.00

ABCM CORPORATION
HAMPTON, IOWA

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1991 AND JUNE 30, 1990
UNAUDITED

	6/30/91	6/30/90
Cash Flows from Operating Activities:		
Net Income (Loss)	$ 88,972	$ (19,683)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	660,862	769,383
Amortization	40,722	37,248
(Increase) Decrease In:		
Receivables	114,447	128,123
Supplies	4,165	(3,003)
Property Tax Escrows	10,478	4,495
Prepaid Expenses	(57,444)	45,116
Increase (Decrease) In:		
Accounts Payable	87,849	19,755
Accrued Expenses	167,992	83,920
Net Cash Provided (Used) by Operating Activities	$ 1,118,043	$ 1,065,346
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	$ (434,405)	$ (376,012)
Advances to Related Parties-Net	(338,032)	(245,877)
Net Cash Provided (Used) by Investing Activities	$ (772,437)	$ (621,889)
Cash Flows from Financing Activities:		
Proceeds from Long-Term Debt Borrowings	$ 1,460,000	$ 0
Proceeds from Related Party Advances	261,540	0
S Corporation Distributions	(931,950)	0
(Increase) Decrease in Restricted Cash	(4,302)	(39)
Repayment of Long-Term Debt	(1,488,174)	(489,343)
Payment of Loan Costs	(79,386)	0
Payment of Minority Interest	0	(500)
Net Cash Provided (Used) by Financing Activities	$ (782,272)	$ (489,982)
Net Increase (Decrease) in Cash	$ (356,666)	$ 33,555
Cash-Beginning of Period	643,934	264,827
Cash-End of Period	$ 287,268	$ 298,382
Supplemental Disclosures of Cash Flow Information:		
Cash Paid for Interest	$ 1,092,838	$ 1,044,053

ABCM CORPORATION
HAMPTON, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1991
UNAUDITED

NOTE 1-COMMITMENTS AND CONTINGENCIES

In November, 1990, ABCM Corporation and Nursing Care Management, Ltd., established a self-funded group health and accident insurance plan covering their employees whereby the Companies assume limited liability with the excess liability assumed by underwriters. The Company's payments for claims under the plan amounted to $424,119 for the six months ended June 30, 1991. The estimated liability for claims incurred but not paid at June 30, 1991 was $51,500.

ABCM Corporation has committed to Heritage Health Care Center of Inverness, Ltd., a limited partnership, to lend operating funds to the partnership to fund any operating deficits in excess of the $200,000 original partnership reserves during the first three years of the partnership's operation. In addition, ABCM Corporation has guaranteed the repayment of $3,300,000 of Industrial Development Revenue Bonds issued through the Citrus County Industrial Development Authority, Citrus County, Florida, to the partnership. Heritage Health Care Center of Inverness, Ltd. is an Iowa limited partnership formed to acquire and operate a 116 bed nursing and adult congregate care facility in Inverness, Florida. The partnership acquired and began operating the facility during 1987. The stockholders of ABCM Corporation own 60% of Heritage Health Care Center of Inverness, Ltd.

ABCM Corporation has also guaranteed repayment of a $1,800,000 First Mortgage Bond issue dated November 1, 1988, for Heritage Health Care Center of Baker County, Inc. which is a 60 bed care facility in Macclenny, Florida. The stockholders of ABCM Corporation own 60% of Heritage Health Care Center of Baker County, Inc.

ABCM Corporation has guaranteed repayment of a mortgage to Nursing Care Management, Ltd. from American Charter Savings and Loan in the amount of $3,500,000. The unpaid balance of this mortgage at June 30, 1991 and December 31, 1990, was $3,387,159 and $3,421,407, respectively. The stockholders of ABCM Corporation are also the stockholders of Nursing Care Management, Ltd.

NOTE 2-MANAGEMENT STATEMENT

It is management's opinion that all adjustments necessary to the fair presentation of these interim financial statements have been included.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Material Changes in Financial Condition

The 15.2% decrease in cash from December 31, 1991, is due to the use of cash reserves to pay the increased costs of operations that have yet to be reflected in higher Medicaid reimbursement rates.

The increase in Property and Equipment from December 31, 1990, to June 30, 1991, is a result of an on-going effort to upgrade and re-equip facilities. The Company has not acquired any nursing home facilities since December 31, 1990.

The increase in Due from Related Parties from December 31, 1990, to June 30, 1991, resulted from additional operating advances to related parties.

Total liabilities have increased 2.3% over the six-month period from December 31, 1990 due to the issuance of the debt instruments which were the subject of the registration statement filed under the Securities and Exchange Act of 1933, effective February 12, 1991 and increased borrowings from related parties. See Note #3-Related Party Transactions to the December 31, 1990, financial statements filed as a part of the Special Report of the Company pursuant to rule 15d-2 on April 14, 1992, for an explanation of the related party debt.

In November 1990 the Company and Nursing Care Management, Ltd., established a self-funded group health and accident insurance plan covering their employees whereby the Companies assume limited liability with the excess liability assumed by underwriters. The Company's payments for claims under the plan amounted to $424,119 for the six-months ended June 30, 1991. The estimated liability for claims incurred but not yet paid at June 30, 1991, was $51,500.

The balance sheet reflects negative working capital at both June 30, 1991, and December 31, 1990. The current assets turn to cash sooner than when the current liabilities need to be paid. For instance, Patient Accounts Receivable, $1,200,665, will be received within one month, while Accrued Liabilities for Property Taxes and Vacation and Sick Leave, $1,642,173, will not require the use of cash for several months. The Note Payable requires $15,003 monthly payments and will be paid in full in July 1992. Accrued Property Taxes include the amount of taxes that have accrued since the last property tax payment date and reflect nine-months of expenses at both June 30, 1991, and December 31, 1990. Accrued Vacation and Sick Leave reflects the amounts of these employee benefits earned, but unpaid as of these dates. The amounts accrued are traditionally paid throughout the year, based on employee anniversary dates. In addition, patient revenues for private paying residents, which are received within the first four or five days of the month in which they accrue and amount to approximately $1,100,000 per month, makes them available for current cash needs. This, along with the turnover in receivables and accrued expenses discussed above, enable the Company to meet its current obligations.

Current Maturities of Long-Term Debt increased from December 31, 1990, to December 31, 1991, due to reclassification of a mortgage which will come

due in July 1992 as current. Management expects that this mortgage will be refinanced without any additional burden on working capital.

The 51.6% decrease in stockholders' equity is due to distributions made to stockholders of prior years earnings. Management expects that the decreases shown will be offset over the year by expected increased income due to increases in the Medicaid reimbursement ceiling that will go into effect in July 1991.

Material Changes in the Results of Operations

The Company has experienced a small increase in income due to slight adjustment in Medicaid reimbursement rates. This increase in income, however, has been offset by an increase in operating costs. Medicaid reimbursement rates are established twice each year based on costs experienced in the prior six month period. The reimbursement rate is subject to a state-wide cap which is established annually based on the prior year's costs. This delay in reflecting costs means that the Company is being reimbursed based on a reimbursement ceiling calculated on costs that may be up to eighteen months old.

Operating expenses other than interest and depreciation have increased from the six months ended June 30, 1990, to the six-month period ended June 30, 1991, a total of 10.29%. Salary expenses have increased a total of $1,115,000, or 13.10% over salaries for the same six-month period one year ago. This increase in salaries is due to salary increases given to all staff in October 1990 that were phased in through January 1991. In addition to the salary increases, new federal nursing home regulations went into effect in October 1990 that have caused all facilities to increase the number of staff over the same period one year ago in order to comply with the new regulations.

Operating expenses other than salaries have increased for the six months ended June 30, 1991, over the same period one year ago a total of 5.49%. This increase is due to an increase in workers compensation insurance payments made by the Company from 1990 to 1991 of 25% along with a general increase in costs due to inflation.

The Company's labor costs are expected to remain at their current level until later in 1991. The Company, traditionally, has tied any wage increases to Title XIX reimbursement increases. The Title XIX reimbursement rates are scheduled to be updated in July 1991. At that time management will review its financial position and decide whether wage increases are appropriate.

PART II. -- OTHER INFORMATION

Item 1. **Legal Proceedings.**

None.

Item 2. **Changes in Securities.**

None.

Item 3. **Defaults Upon Senior Securities.**

None.

Item 4. **Submission of Matters to a Vote of Security Holders.**

None.

Item 5. **Other Information.**

None.

Item 6. **Exhibits and Reports on Form 8-K.**

None.

SIGNATURES

Pursunnt to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ABCM Corporation
(Registrant)

Date 4/13/92

(Signature)

George M. Manovlovich, President
(Print Name and Title)

Date 4/13/92

(Signature)

Richard A. Allbee, Treasurer
(Print Name and Title)

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